

**Madison Parish Police Jury  
Tallulah, Louisiana  
Basic Financial Statements  
And Independent Auditor's Report  
As of and for the Year Ended December 31, 2013**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date AUG 20 2014

MADISON PARISH POLICE JURY  
TALLULAH, LOUISIANA

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**REQUIRED SUPPLEMENTARY INFORMATION**

**PART I**

## **Management's Discussion and Analysis**

December 31, 2013

This discussion and analysis of Madison Parish Police Jury's financial performance provides an overview of the Police Jury's financial activities for the year ended December 31, 2013.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 3 *Basic Financial Statements – and Management's Discussion and Analysis – for the State and Local Governments* issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

### **Financial Highlights**

The MD&A provides insights into the results of this year's operations:

Total governmental funds revenues received for the year ended December 31, 2013, was \$8,927,130. This is an increase of \$840,833 or a 10% change from the year ended December 31, 2012. This increase is due mainly to an increase in grants.

Governmental expenditures for 2013 were \$8,561,250. This is an increase of \$2,592,796, or a 43% change from the year ended December 31, 2012.

For the year ended December 31, 2013, General Fund reported \$1,225,719 in revenues, an increase of \$191,006, or 18% from revenue received for the year ended December 31, 2012.

In 2013 the Police Jury reported \$1,201,751 in expenditures for the General Fund and \$968,394 in expenditures for 2012. This change represents a 24% increase from 2012 to 2013.

### **Using This Annual Report**

The Police Jury's annual report consists of a series of financial statements that show information for the Police Jury as a whole, and its funds. The Statement of Net Position and the Statement of Activities provide information about the activities of the Police Jury as a whole and present a more long-term view of the Police Jury's finances. The fund financial statements are included late in this report. For governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insight into the Police Jury's overall financial health. Fund financial statements also report the Police Jury's operations in more detail than the government-wide financial statements by providing information about the Police Jury's most significant funds – the General Fund, Library, Garbage Maintenance, Health Unit, Public Works, and Courthouse and Jail.

The following chart reflects the information included in this annual report:

## **Required Supplemental Information**

### **Management's Discussion and Analysis (MD&A)**

#### **Basic Financial Statements**

##### **Government-Wide Financial Statements**

##### **Fund Financial Statements**

#### **Notes to the Basic Financial Statements**

### **Required Supplemental Information Budgetary Information for Major Funds Funding Progress for Employee Health Care**

### **Supplemental Information Nonmajor Governmental Funds - Combining Statements Nonmajor Special Revenue Funds - Combining Statements Schedule of Compensation Paid to Police Jurors**

### **Other Information Schedule of Current-Year Findings Summary Schedule of Prior-Year Audit Findings**

Our auditors have provided assurance in their Independent Auditor's Report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements, after considering the fact that certain component units are not included, are fairly stated. Varying degrees of assurance are being provided by the auditors regarding the Required Supplemental Information (RSI) and the Supplemental Information. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each part of this report.

#### **Reporting the Police Jury as a Whole**

**The Statement of Net Position and the Statement of Activities.** Our analysis of the Police Jury as a whole begins on page 6. One of the most important questions about the Police Jury is, "Is the Police Jury as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Position and the Statement of Activities, which appear first in the Police Jury's financial statements, report information on the Police Jury as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Police Jury's net position. The difference between assets and liabilities, as reported in the Statement of Net Position, is one way to measure the Police Jury's financial health, or financial position. Over time, increases or decreases in the Police Jury's net position, as reported in the Statement of Activities, is one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the Police Jury's operating results. However, the Police Jury's goal is to provide services to our citizens, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of health and welfare services provided to parish citizens and the condition of roads, bridges and drainage systems to assess the overall health of the Police Jury.

The Statement of Net Position and Statement of Activities report the following activity for the Police Jury:

Government activities – All of the Police Jury's services are reported here, including public works and health and welfare services. Property taxes, severance taxes, and state and federal grants finance most of these activities.

### Reporting the Police Jury's Most Significant Funds

**Fund Financial Statements.** The Police Jury's fund financial statements provide detailed information about the most significant funds – not the Police Jury as a whole. Some funds are required to be established by State law and by bond covenants. However, the Police Jury establishes many other funds to help it control and manage money for particular purposes (like the Criminal Court Fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Police Jury's governmental funds use the following accounting approach:

Governmental funds – All of the Police Jury's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reporting using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Police Jury's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Police Jury's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and government funds in reconciling statements on pages 13 and 15.

**The Police Jury as a Whole.** The Police Jury's net position was \$20,476,016 at December 31, 2013. Of this amount, \$444,098 was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Police Jury's ability to use those funds for day-to-day operations. Our analysis of the primary government focuses on the net position (Table 1) and changes in net position (Table 2) of the Police Jury's governmental activities.

**Table 1**  
**Net Position**  
**Years Ended December 31, 2012 and 2013**

	<b>Governmental Activities</b>	
	<b>2012</b>	<b>2013</b>
Current and other assets	\$ 12,615,112	\$ 13,125,005
Capital assets	6,274,113	8,177,367
<b>Total assets</b>	<b>18,889,225</b>	<b>21,302,372</b>
Current and other liabilities	194,735	311,928
Long-term liabilities	412,835	514,428
<b>Total liabilities</b>	<b>607,570</b>	<b>826,356</b>
<b>Net position</b>		
Invested in capital assets, net of debt	6,188,243	8,055,870
Restricted	11,610,705	11,976,048
Unrestricted	482,707	444,098
<b>Total net position</b>	<b>\$ 18,281,655</b>	<b>\$ 20,476,016</b>

Net position of the Police Jury's governmental activities for December 31, 2013 was \$20,476,016. Unrestricted net position, which is part of net position that can be used to finance day to day operations

without constraints established by debt covenants, enabling legislation or other legal requirements was \$444,098.

The results of this year's operations for the primary government as a whole are reported in the Statement of Activities. Table 2 takes the information from that statement and rearranges them slightly so you can see our total revenues for the year.

**Table 2**  
**Changes in Net Position**  
**Year's Ended December 31, 2012, and 2013**

	<u>2012</u>	<u>2013</u>
<b>Revenues:</b>		
Program revenues		
Charges for services	\$ 1,160,382	\$ 1,131,994
Federal grants	168,733	168,539
State grants & entitlements	587,033	1,306,603
General Revenues		
Ad valorem taxes	5,137,210	5,258,030
State revenue sharing	78,318	96,933
Other general revenues	941,332	983,891
Total revenues	<u>8,073,008</u>	<u>8,945,990</u>
<b>Functions/Programs Expenses:</b>		
General government:		
Legislative	159,110	161,075
Judicial	893,963	918,022
Elections	32,607	31,967
Finance and administrative	334,449	407,349
Other general government	26,502	33,661
Public safety	845,899	1,032,028
Public works	3,167,641	3,199,586
Health and welfare	92,555	235,258
Culture and recreation	398,674	477,506
Economic development and assistance	50,143	48,588
Transportation	57,850	173,759
Miscellaneous	7,878	26,670
Interest on long-term debt	5,317	6,160
Total expenses	<u>6,072,588</u>	<u>6,751,629</u>
Increase in net position	<u>\$ 2,000,420</u>	<u>\$ 2,194,361</u>

**Governmental Activities.** As reported in the Statement of Activities, the cost of all of our governmental activities this year was \$6,751,629. However, the amount that our taxpayers ultimately financed for these activities through Police Jury taxes was \$5,258,030 because some of the cost was paid by those who benefited from the programs or by other governments and organizations who subsidized certain programs with grants and contributions.

In Table 3, we have presented the cost of each of the Police Jury's six largest functions - judicial, finance and administrative, public safety, public works, health and welfare, and culture and recreation, as well as each program's net cost (total cost less revenues generated by the activities). As discussed above, net cost shows the financial burden that was placed on the Police Jury's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

**Table 3**  
**Governmental Activities**  
**For the Years Ended December 31, 2012 and 2013**

Governmental Activities	Total Cost of Services		Net Cost of Services	
	2012	2013	2012	2013
Judicial	\$ 893,963	\$ 918,022	\$ (429,041)	\$ (480,094)
Finance and Administrative	334,449	407,349	(328,881)	(402,130)
Public Safety	845,899	1,032,028	(610,134)	(828,756)
Public Works	3,167,641	3,199,586	(2,107,404)	(2,078,998)
Health & Welfare	92,555	225,258	12,829	423,260
Culture and Recreation	398,674	477,506	(378,685)	(469,820)
All Others	339,407	491,880	(315,124)	(307,955)
Total Functions/Program Expenses	<u>\$ 6,072,588</u>	<u>\$ 6,751,629</u>	<u>\$ (4,156,440)</u>	<u>\$ (4,144,493)</u>

**The Police Jury's Funds.** As we noted earlier, the Police Jury uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the Police Jury is being accountable for the resources taxpayers and others provide to it but may also give you more insight into the Police Jury's overall financial health.

As the Police Jury completed this year, our governmental funds reported a combined fund balance of \$12,576,770 which is an increase of \$365,880 from last year. The primary reasons for these increases are:

Our General fund is our principle operating fund. The fund balance in the general fund increased by \$13,871 to \$855,619 at December 31, 2013. The income increased by \$191,006 and expenses increased by \$233,357. The fund still had an operating profit of approximately \$23,968.

Our Library fund accounts for the public library. This fund showed a decrease of \$27,746 to \$1,287,583. The decrease was due mainly to current year capital outlay.

The Garbage Maintenance fund accounts for the parish garbage collection services. This fund showed an increase of \$217,907 to \$1,528,212. The increase is due to operating at profit for the year which the fund has done for several years now.

The Health Unit fund accounts for the parish health center. This fund showed a decrease of \$601,984 to \$990,196. The decrease was the result of capital outlay.

The Public Works fund accounts for funds used to maintain the parish roads and streets. This fund showed a decrease of \$102,505 to \$1,677,516.

The Courthouse and Jail fund accounts for funds used to maintain the courthouse, courthouse annex, jail, and the feeding, maintenance and transporting of parish inmates. This fund showed an increase of \$716,372 to \$4,946,479. The ad valorem tax base was increased several years ago and expenditures have not increased.

The Other Governmental funds are comprised of the debt service fund and special revenue funds (Rural Development, Criminal Court, E-911, Memorial, Group Health Savings, LCDBG, Grant Fund, Road Improvement Escrow, Grant Fund, Mosquito Control, Witness Fees, FEMA Disaster, Emergency Shelter Donation, Recreation Board, OHSEP, and Building Fund). The combined funds showed an increase of \$149,965 to \$1,290,565.



**General Fund Budgetary Highlights.** Over the course of the year, the Police Jury revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the Police Jury's original and final budget amounts compared with amounts actually paid and received is provided later in this report). The original budgets were adopted on December 9, 2012 and amended on December 23, 2013 in an effort to accurately reflect actual revenue and expenditure amounts.

## **CAPITAL ASSETS**

### **Capital Assets at Year Ended December 31, 2012 and 2013**

	2012	2013
Land	\$ 188,750	\$ 188,750
Buildings and improvements	5,553,844	5,989,425
Equipment and furniture (including vehicles)	3,096,559	3,385,565
Books and periodicals	440,791	486,150
Quebec Road	3,771,405	3,771,405
Construction in progress - Health unit (complete in 2013)	98,884	1,509,539
Total capital assets	13,150,233	15,330,834
Accumulated depreciation	6,876,120	7,153,467
Net capital assets	<u>\$ 6,274,113</u>	<u>\$ 8,177,367</u>

**Debt.** At December 31, 2013, the Police Jury had a prior year liability of \$177,500 for claims and judgments.

**Contacting the Police Jury's Financial Management.** Our financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Police Jury's finances and to show the Police Jury's accountability for the money it receives. If you have questions about this report or wish to request additional information, contact Ms. Margaret Dew, Secretary/Treasurer, Courthouse Building, Madison Parish Police Jury, 100 North Cedar Street, Tallulah, LA 71282, telephone number (318) 574-3451.

## **INDEPENDENT AUDITORS' REPORT**

# THE HALFORD FIRM, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Members  
American Institute of  
Certified Public Accountants

Mississippi Society of  
Certified Public Accountants

Louisiana Society of  
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

Police Jurors  
Madison Parish Police Jury  
Tallulah, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Madison Parish Police Jury as of and for the year ended December 31, 2013, and related notes to the financial statements which collectively comprise the Board's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Basis for Adverse Opinion on Aggregate Discretely Presented Component Units**

The financial statements do not include financial data for the Police Jury's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the Parish's primary government unless the Police Jury also issues financial statements for the financial reporting entity that include the financial data for its component units. The Police Jury has not issued such reporting entity financial statements. The effects of this departure from accounting principles generally accepted in the United States of America, assets, liabilities, net position, revenues and expenses of the aggregate discretely presented component units are not reasonably determinable.

#### **Adverse Opinion on Aggregate Discretely Presented Component Units**

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the Madison Parish Police Jury as of December 31, 2013, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Unmodified Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Madison Parish Police Jury, as of December 31, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Other Matters**

##### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9, the budgetary comparison information on pages 35 through 41, and the schedule of funding progress for the retiree healthcare plan on page 44, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Governmental Auditing Standards*, we have also issued our report dated July 25, 2014, on our consideration of the Madison Parish Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Madison Parish Police Jury's internal control over financial reporting and compliance.

*The Halford Firm, PLLC*

Vicksburg, Mississippi  
July 25, 2014

**BASIC FINANCIAL STATEMENTS**

**Government-Wide  
Financial Statements**

MADISON PARISH POLICE JURY  
STATEMENT OF NET POSITION  
AS OF DECEMBER 31, 2013

	Primary Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 4,448,930
Investments	2,949,665
Receivables (net)	5,726,410
Capital assets, net	<u>8,177,367</u>
Total Assets	<u>21,302,372</u>
<b>Liabilities</b>	
Accounts, salaries and other payables	272,870
Long-term liabilities	
Due within one year	39,058
Due in more than one year	<u>514,428</u>
Total Liabilities	<u>826,356</u>
<b>Net Position</b>	
Invested in capital assets, net of related debt	
Restricted for:	8,055,870
Library	1,314,818
Garbage collection	1,553,590
Health unit	1,004,915
Drainage and roads	1,771,399
Courthouse and jail	5,024,280
Other special revenue funds	1,307,046
Unrestricted	<u>444,098</u>
Total Net Position	<u>\$ 20,476,016</u>

The accompanying notes are an integral part of this financial statement.

MADISON PARISH POLICE JURY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013

Functions/Programs	Primary Government Governmental Activities				Primary Governmental Activities
	Program Revenues				Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
Primary Government: Governmental Activities:					
General government:					
Legislative	\$ 161,075	\$ -	\$ -	\$ -	\$ (161,075)
Judicial	918,022	437,928	-	-	(480,094)
Elections	31,967	-	-	-	(31,967)
Finance and administrative	407,349	-	5,219	-	(402,130)
Other general administrative	33,661	2,522	-	158,471	127,332
Public safety	1,032,028	61,858	97,405	44,009	(828,756)
Public works	3,199,586	629,273	435,315	56,000	(2,078,998)
Health and welfare	235,258	-	3,575	654,943	423,260
Culture and recreation	477,506	413	7,273	-	(469,820)
Economic development and assistance	48,588	-	-	-	(48,588)
Transportation	173,759	-	12,932	-	(160,827)
Miscellaneous	26,670	-	-	-	(26,670)
Interest on long-term debt	6,160	-	-	-	(6,160)
Total Governmental Activities	<u>\$6,751,629</u>	<u>\$1,131,994</u>	<u>\$ 561,719</u>	<u>\$ 913,423</u>	<u>\$ (4,144,493)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					5,258,030
Other taxes and penalties					174,944
State revenue sharing					96,933
Severance tax					64,846
Video Poker					290,870
Licenses and permits					212,941
Interest and investment earnings					18,076
Miscellaneous					222,214
Total general revenues					<u>6,338,854</u>
Changes in net position					2,194,361
Net position - beginning					<u>18,281,655</u>
Net position - ending					<u>\$ 20,476,016</u>

The accompanying notes are an integral part of this financial statement.



## **BASIC FINANCIAL STATEMENTS**

### **Fund Financial Statements**

**MADISON PARISH POLICE JURY  
BALANCE SHEET – GOVERNMENTAL FUNDS  
AS OF DECEMBER 31, 2013**

	General	Library	Garbage Maintenance	Health Unit	Public Works	Courthouse and Jail	Other Governmental	Total
<b>Assets</b>								
Cash and cash equivalents	\$ 144,718	\$ 484,768	\$ 1,013,880	\$ 727,316	\$ 34,490	\$ 1,544,392	\$ 499,366	\$ 4,448,930
Investments	-	251,664	-	-	-	2,029,651	668,350	2,949,665
Receivables	548,595	553,789	523,068	271,032	1,788,708	1,424,480	341,373	5,451,045
Interfund receivables	276,108	-	-	-	-	1,770	2,074	279,952
<b>Total Assets</b>	<b>969,421</b>	<b>1,290,221</b>	<b>1,536,948</b>	<b>998,348</b>	<b>1,823,198</b>	<b>5,000,293</b>	<b>1,511,163</b>	<b>13,129,592</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities:</b>								
Accounts, salaries and other payables	112,032	2,638	8,136	8,152	25,667	53,814	62,431	272,870
Interfund payables	1,770	-	-	-	120,015	-	158,167	279,952
<b>Total Liabilities</b>	<b>113,802</b>	<b>2,638</b>	<b>8,136</b>	<b>8,152</b>	<b>145,682</b>	<b>53,814</b>	<b>220,598</b>	<b>552,822</b>
<b>Fund Balances:</b>								
Restricted	-	1,287,583	1,528,812	990,196	1,677,516	4,946,479	1,290,565	11,721,151
Unassigned	855,619	-	-	-	-	-	-	855,619
<b>Total Fund Balances</b>	<b>855,619</b>	<b>1,287,583</b>	<b>1,528,812</b>	<b>990,196</b>	<b>1,677,516</b>	<b>4,946,479</b>	<b>1,290,565</b>	<b>12,576,770</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 969,421</b>	<b>\$ 1,290,221</b>	<b>\$ 1,536,948</b>	<b>\$ 998,348</b>	<b>\$ 1,823,198</b>	<b>\$ 5,000,293</b>	<b>\$ 1,511,163</b>	<b>\$ 13,129,592</b>

The accompanying notes are an integral part of this financial statement.

**MADISON PARISH POLICE JURY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
AS OF DECEMBER 31, 2013**

Total fund balances - governmental funds \$ 12,576,770

The cost of capital assets (land, buildings, furniture and equipment and infrastructure) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the Police Jury as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Cost of capital assets	15,330,834	
Depreciation expense to date	<u>(7,153,467)</u>	
		8,177,367

Receivables collected more than 60 days after the close of the accounting period are not recorded on the fund financial statements, but they are included on the Statement of Net Position. 275,365

Long-term liabilities applicable to the Police Jury's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.

Balances at December 31, 2013, are:

Long-term liabilities		
Judgment payable	177,500	
OPEB obligation	254,490	
Capital leases payable	<u>121,496</u>	
		<u>(553,486)</u>

Net Position		<u>\$ 20,476,016</u>
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The accompanying notes are an integral part of this financial statement.

**MADISON PARISH POLICE JURY  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES/DEFICITS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Library	Garbage Maintenance	Health Unit	Public Works	Courthouse and Jail	Other Governmental	Total
<b>Revenues</b>								
Local sources:								
Taxes:								
Ad valorem	\$ 440,975	\$ 560,233	\$ 461,269	\$ 273,988	\$ 1,747,756	\$ 1,448,201	\$ 306,747	\$ 5,239,169
Other taxes and penalties	56,293	-	-	-	-	-	118,651	174,944
Licenses and permits	204,913	-	-	-	-	-	8,029	212,942
Intergovernmental revenues:								
Federal funds - federal grants	5,219	7,273	12,034	3,574	22,799	12,876	104,763	168,538
State funds:								
Parish transportation funds	-	-	-	-	230,858	-	-	230,858
State revenue sharing (net)	10,211	8,168	5,898	4,620	48,175	-	63,870	140,942
Severance taxes	64,846	-	-	-	-	-	-	64,846
Other state grants	290,870	-	-	-	8,850	-	1,022,887	1,322,607
Fees, charges, and commissions for services	2,522	-	627,165	-	2,108	-	61,858	693,653
Fines and forfeitures	-	413	-	-	-	-	437,928	438,341
Use of money and property	1,171	(6,589)	2,312	3,054	1,312	13,920	2,898	18,076
Other revenues	148,699	6,432	-	-	29,275	1,250	36,558	222,214
<b>Total Revenues</b>	<b>1,225,719</b>	<b>575,930</b>	<b>1,108,678</b>	<b>285,236</b>	<b>2,091,133</b>	<b>1,476,247</b>	<b>2,164,187</b>	<b>8,927,130</b>
<b>Expenditures</b>								
Current:								
General government:								
Legislative	161,075	-	-	-	-	-	-	161,075
Judicial	374,809	-	-	-	-	-	535,517	910,326
Elections	31,540	-	-	-	-	-	-	31,540
Finance and administrative	186,329	-	-	-	100,726	58,854	3,434	349,343
Public safety	100,304	-	-	-	-	491,551	319,468	911,323
Public works	175	-	890,771	-	2,085,354	-	113,160	3,089,460
Health and welfare	146,233	-	-	78,949	-	-	-	225,182
Culture and recreation	24,047	392,334	-	-	-	-	1,485	417,866
Economic development and assistance	48,588	-	-	-	-	-	-	48,588
Transportation	102,061	-	-	-	-	-	71,698	173,759
Miscellaneous	26,573	-	-	-	-	-	97	26,670
Debt service:								
Interest	17	-	-	-	6,033	-	-	6,050
Principal payments	-	-	-	-	35,670	-	-	35,670
Capital outlay	-	211,342	-	1,215,958	120,380	402,681	224,037	2,174,398
<b>Total Expenditures</b>	<b>1,201,751</b>	<b>603,676</b>	<b>890,771</b>	<b>1,294,907</b>	<b>2,348,163</b>	<b>953,086</b>	<b>1,268,896</b>	<b>8,561,250</b>
Excess (Deficiency) of Revenues Over Expenditures	23,968	(27,746)	217,907	(1,009,671)	(257,030)	523,161	895,291	365,880
Other Financing Sources (Uses)								
Transfers in	-	-	-	407,687	154,525	193,211	10,097	765,520
Transfers out	(10,097)	-	-	-	-	-	(755,423)	(765,520)
<b>Total Other Financing Sources (Uses)</b>	<b>(10,097)</b>	<b>-</b>	<b>-</b>	<b>407,687</b>	<b>154,525</b>	<b>193,211</b>	<b>(745,326)</b>	<b>-</b>
Net Change in Fund Balances	13,871	(27,746)	217,907	(601,984)	(102,505)	716,372	149,965	365,880
Fund Balances - beginning	841,748	1,315,329	1,310,905	1,592,180	1,780,021	4,230,107	1,140,600	12,210,890
Fund Balances - ending	\$ 855,619	\$ 1,287,583	\$ 1,528,812	\$ 990,196	\$ 1,677,516	\$ 4,946,479	\$ 1,290,565	\$ 12,576,770

The accompanying notes are an integral part of this financial statement.

MADISON PARISH POLICE JURY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES/DEFICITS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013

Total net change in fund balances - governmental funds	\$ 365,880
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period:

Capital outlay	2,174,398	
Depreciation expense	<u>(342,329)</u>	
		1,832,069

Repayment of bond principle and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:	35,670
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Governmental funds do not report funds received more than 60 days after the end of the year as revenues in the current year, but the Statement of Activities reports all receivables regardless of when collected. This is the net change resulting from recording all receivables on the Statement of Activities.	18,748
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The Statement of Activities recorded unfunded cost of post employment medical insurance cost (OPEB) in the current year, but it will not be recorded in Governmental funds until actually paid.	<u>(58,006)</u>
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Change in net position of governmental activities	<u><u>\$ 2,194,361</u></u>
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The accompanying notes are an integral part of this financial statement.

## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

**MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**INTRODUCTION**

The Madison Parish Police Jury (the Police Jury) is the governing authority for Madison Parish and is a political subdivision of the state of Louisiana. The Police Jury is governed by five jurors representing the various districts within the parish. The jurors serve four-year terms which expire in January 2015.

Louisiana Revised Statute 33:1236 give the Police Jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the powers to make regulations for their own government, to regulate the construction and maintenance of roads and bridges, to replace and maintain drainage systems, to regulate the sale of alcoholic beverages, and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

In accomplishing its objectives, the Police Jury also has authority to create special districts (component units) within the parish. The districts perform specialized functions, such as fire protections, library facilities, and health care facilities.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying basic financial statements of the Madison Parish Police Jury have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999.

**B. REPORTING ENTITY**

As the governing authority of the parish, for reporting purposes, the Madison Parish Police Jury is the financial reporting entity for Madison Parish. The financial reporting entity consists of (a) the primary government (Police Jury), (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 establishes criteria for determining the governmental reporting entity and component units that should be considered part of the Madison Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body and:
  - a. The ability of the Police Jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury

MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**A. REPORTING ENTITY - continued**

2. Organization for which the Police Jury does not appoint a voting majority but are fiscally dependent on the Police Jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Police Jury has determined that the following component units are part of the reporting entity:

<u>Component Unit</u>	<u>Fiscal Year Ended</u>	<u>Criteria Used</u>
Madison Parish Hospital		
Service District	December 31	1 and 3
Madison Parish Port Commission	December 31	1 and 3
Madison Parish Recreation District	December 31	1 and 3
Afton Fire Protection	December 31	1 and 3
Mound Fire Protection	December 31	1 and 3
Bear Lake Fire Protection Dist. No. 1	December 31	1 and 3
Madison Parish Tax Police Jury	December 31	2 and 3
Madison Parish Clerk of Court	June 30	2 and 3
Madison Parish Sheriff	June 30	2 and 3
Madison Parish Tourism Commission	December 31	1 and 3

The component units listed above are not included in the basic financial statements.

Considered in the determination of component units of the reporting entity were the Madison Parish School Board and the various municipalities in the parish. It was determined that these governmental entities are not component units of the Madison Parish Police Jury reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Madison Parish Police Jury.

**B. FUND ACCOUNTING**

The accounts of the Police Jury are organized and operated on the basis of funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The governmental funds are divided into separate "fund types." Governmental funds are to account for government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. The Police Jury's current operations require the use of governmental funds. The fund types used by the Police Jury are described as follows:



MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**C. FUND ACCOUNTING - continued**

**Governmental Funds**

Governmental funds account for all or most of the Police Jury's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Police Jury. The following are the Police Jury's governmental funds:

**General Fund** – The general fund in the general operating fund of the Police Jury. It accounts for all activities except those required to be accounted for in other funds.

**Library Fund** – This fund accounts for the activities performed for the public library.

**Garbage Maintenance** – This fund accounts for the parish garbage collection services.

**Health Unit** – This fund accounts for funds for the parish health center.

**Public Works** – This fund accounts for funds used to maintain the parish roads and streets.

**Courthouse and Jail** – This fund accounts for operation and maintenance of the courthouse and jail.

**Other Governmental** – This fund is comprised of all non-major funds which include Rural Development, Criminal Court, E-911, Memorial, Group Health Savings, Road Improvement Escrow, Grant Fund, Mosquito Control, Witness Fees, FEMA Disaster, Emergency Shelter Donation, LCDBG, Recreation Board, OHSEP, and Building Fund.

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

**Government-Wide Financial Statements (GWFS)**

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 *Accounting and Financial Reporting for Nonexchange Transactions*. Fiduciary funds are not included in the government-wide financial statements.

**Program revenues** – Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the Police Jury's taxpayers or citizenry, as a whole program revenues reduce the cost of the function to be financed from the Police Jury's general revenues.

MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING – continued**

**Government-Wide Financial Statements (GWFS) - continued**

**Allocation of indirect expenses** – The Police Jury reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**Fund Financial Statements (FFS)**

**Governmental Funds** – The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principle and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues** – Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar-year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Sales tax is susceptible to accrual.

Federal and state grants are recognized when the Police Jury is entitled to the funds.

Fines, forfeitures, and court costs are recognized in the year they are received by the parish tax collector.

Interest income on time deposits is recognized when the time deposits have matured and the interest is available.

Substantially all other revenues are recognized when they become available to the Police Jury. Based on the above criteria, ad valorem taxes, federal and state grants, and fines and forfeitures, and court costs have been treated as susceptible to accrual.

**MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING – continued**

**Fund Financial Statements (FFS) (continued)**

**Government funds (continued)**

**Expenditures** – Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principle and interest on general long-term obligations, which are recognized when due.

**Other Financing Sources (Uses)** – Sale of fixed assets, increases in capital lease purchases, and transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

**E. BUDGETARY ACCOUNTING**

Preliminary budgets for the ensuing year are prepared by the secretary treasurer prior to December 31 of each year. The availability of the proposed budgets for public inspection and the date of the public hearing on the proposed budgets are then advertised in the official journal. During its regular December meeting, the Police Jury holds a public hearing on the proposed budgets in order to receive comments from residents of the parish. Changes are made to the proposed budgets based on the public hearing and the desires of the Police Jury as a whole. The budgets are then adopted during the Police Jury's regular December meeting, and a notice of the adoptions is then published in the official journal.

The secretary-treasurer presents necessary budget amendments to the Police Jury during the year when, in her judgment, actual operations are differing materially from those anticipated in the original budget. During a regular meeting, the Police Jury reviews the proposed amendments, makes changes as it deems necessary, and formally adopts the amendments. The adoption of the amendments is included in Police Jury minutes published in the official journal.

The Police Jury exercises budgetary control at the functional level. Within functions the secretary-treasurer has the discretion to make changes as she deems necessary for proper control. Unexpected appropriations lapse at the year end and must be re-appropriated in the next year's budget to be expended.

**F. ENCUMBRANCE**

Outstanding encumbrances lapse at year-end. Authorization for the eventual expenditure will be included in the following year's budget appropriations. Encumbrance accounting is employed in governmental funds.

**G. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits, interest bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Police Jury may deposit funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**H. INVESTMENTS**

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Police Jury's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. The Police Jury invests in authorized U.S. government securities. Investments are carried at fair market value based on quoted market prices. The Police Jury's intent is to hold all investments to maturity.

**I. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet. Short-term interfund loans are also classified as interfund receivables/payables.

**J. ELIMINATION AND RECLASSIFICATIONS**

In the process of aggregating data for the Statement of Net Position and the Statement of Activities some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

**K. CAPITAL ASSETS**

Capital assets are recorded at either historical cost or estimated historical cost and depreciated over their estimated useful lives (excluding salvage value). The Police Jury has a capitalization threshold of \$2,000. Donated capital assets are recorded at their estimated fair value at the date of donation. General assets are capitalized and valued at historical cost or estimated historical cost. Interest during construction was not capitalized on capital assets prior to January 1, 1999. Estimated useful life is management's estimate of how the asset is expected to meet services demands. Vehicles and trailers are assigned a salvage value of ten percent of historical costs. Straight line depreciation is used based on the following estimated useful lives:

Buildings and improvements	20-40 years
Equipment and furniture (including vehicles)	5-15 years
Books, periodicals and law books	10 years

**L. FUND EQUITY**

Beginning with fiscal year 2011, the Police Jury implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**L. FUND EQUITY - continued**

Restricted Fund Balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provision, or by enabling legislation.

Committed Fund Balance – amounts constrained to specific purposes by the Police Jury itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the Police Jury takes the same highest level action to remove or change the constraint.

Assigned Fund Balance – amounts the Police Jury intends to use for a specific purpose. Intent is expressed by the Madison Parish Police Jury.

Unassigned Fund Balance – amounts that are available for any purpose. These amounts are reported only in the general fund.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Police Jury considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Police Jury considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Police Jury has provided otherwise their commitment or assignment actions.

**M. COMPENSATED ABSENCES**

Employees of the Police Jury receive 10 to 20 days of annual leave each year, depending on the length of service. A maximum of 5 days annual leave may be carried forward to the next year. Upon voluntary resignation or retirement, employees are compensated for annual leave accumulated to the date of separation. Sick leave is credited to a permanent full-time employee at the rate of 1 day for each month of continuous employment. Sick leave may accumulate to a maximum of 90 days. Upon retirement, all unused accumulated sick leave is used in retirement benefit computations as earned services.

**N. INTERFUND TRANSACTIONS**

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**O. USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**P. RESTRICTED NET POSITION**

For the government-wide Statement of Net Position, net position is reported as restricted when constraints placed on net position use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation. Restricted net position reported by the Police Jury is restricted by enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**NOTE 2. CASH AND CASH EQUIVALENTS**

At December 31, 2013, the Police Jury has cash and cash equivalents totaling \$4,448,930 as follows:

Demand deposits	\$	8,162
Interest bearing demand deposits		4,440,629
Petty cash		139
Total	\$	<u>4,448,930</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposits insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposits insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on the deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually accepted to both parties.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Police Jury that the fiscal agent has failed to pay deposited funds upon demand.

As of December 31, 2013, the book balance of the Police Jury's deposit was \$4,448,930, and the bank balance was \$4,927,168. Of the bank balance, \$916,599 was covered by federal depository insurance and \$4,010,569 by pledged securities.

MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS

**NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Deficit Fund Balances**

The following funds have a deficit in the fund balance at December 31, 2013:

Fund	Amount of Deficit
Criminal Court	\$ 148,473
LCDBG	14,840

**Unfavorable Budget Variances:**

**Revenues:**

Fund	Budget	Actual	Unfavorable Variances
Health Unit	\$ 346,044	\$ 285,236	\$ (60,808)
Library	578,390	575,930	(2,460)

**Expenditures:**

Fund	Budget	Actual	Unfavorable Variances
General fund	\$ 1,052,373	\$ 1,201,751	\$ (149,378)
Library	592,548	603,676	(11,128)
Garbage maintenance	880,270	890,771	(10,501)
Public works	2,275,524	2,348,163	(72,639)
Courthouse and jail	817,100	953,086	(135,986)

**NOTE 4. LEVIED TAXES**

The Police Jury levies taxes on real and business personal property located within Madison Parish's boundaries. Property taxes are levied by the Police Jury on property values assessed by the Madison Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Madison Parish Sheriff's Office bills and collects property taxes for the Police Jury. Collections are remitted to the Police Jury monthly.

<b>Property Tax Calendar</b>	
Levy date	No later than November 15 <sup>th</sup>
Tax bills mailed	October-November
Due date	December 31 <sup>st</sup>
Lien date	Date of filing in Clerk of Court's office
Tax sale – 2013 delinquent property	April, 2014

Assessed values are established by the Madison Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value.

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS

**NOTE 4. LEVIED TAXES – continued**

A revaluation of all properties is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2013. Total assessed value was \$119,953, in calendar year 2013. Louisiana state law exempts the first \$7,500 of assessed value of taxpayer's primary residence from parish property taxes. This homestead exemption was \$10,217,689 of the assessed value in calendar year 2013.

State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the sheriff is required by the constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

All property taxes are recorded in the general fund, library, garbage maintenance, health unit, E-911, public works, and courthouse and jail funds. Revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Available means due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year-end.

The tax roll is prepared by the parish tax assessor in November of each year; therefore, the amount of 2013 property taxes to be collected occurs in December of the current year and January and February of the next year. Historically, virtually all ad valorem taxes receivables were collected since they are secured by property; therefore, there is no allowance for uncollectible taxes.

The following is a summary of authorized and levied ad valorem taxes for the year ended December 31, 2013:

	Authorized Millage	Levied Millage	Expiration Date
Parish-wide taxes:			
General Fund/In	1.73	1.63	Indefinite
General Fund/Out	3.46	3.27	Indefinite
Health Unit	1.18	1.12	2022
Library	3.56	3.37	2022
Garbage Collection	9.02	8.72	2018
Drainage and Roads	17.08	16.52	2018
Courthouse and Jail	2.71	2.57	2022
Library 2002	1.94	1.90	2022
Health Unit 2002	1.50	1.47	2022
Courthouse and Jail 2007	7.00	6.76	2016
E-911	3.00	2.90	2016

The difference between authorized and levied millages is the result of reassessments of taxable property in the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974.



**MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 5. DEPOSITS AND INVESTMENTS**

At December 31, 2013, the Police Jury had the following investments:

Investment Type	Maturities	Fair Value
Government securities	Less than 1 year	\$ 2,281,316
Bank certificates of deposit		668,350
Total		<u>\$ 2,949,666</u>

Interest Rate Risk: The Police Jury's policy does not address interest rate risk.

Credit Risk: The Police Jury invests in certificate of deposit and U.S. Treasury securities which do not have credit ratings.

**NOTE 6. RECEIVABLES**

The following is a summary of receivables at December 31, 2013:

	General	Library	Garbage Maintenance	Health Unit	Public Works	Courthouse and Jail	Other Governmental	Total Governmental Fund	Government Wide
Taxes:									
Ad Valorem	\$ 431,061	\$ 551,074	\$ 453,668	\$ 269,496	\$ 1,718,947	\$ 1,424,480	\$ 301,754	\$ 5,150,480	\$ 5,425,845
Other taxes	48,403	-	-	-	-	-	-	48,403	48,403
Gaming	60,292	-	-	-	-	-	-	60,292	60,292
Other	8,839	2,715	69,400	1,536	69,761	-	39,619	191,870	191,870
Total	<u>\$ 548,595</u>	<u>\$ 553,789</u>	<u>\$ 523,068</u>	<u>\$ 271,032</u>	<u>\$ 1,788,708</u>	<u>\$ 1,424,480</u>	<u>\$ 341,373</u>	<u>\$ 5,451,045</u>	<u>\$ 5,726,410</u>

Historically, virtually all ad valorem taxes receivables were collected since they are secured by property; therefore, no allowance for doubtful accounts has been established for ad valorem taxes. The balance of accounts receivable is expected to be collected in full so no allowance for doubtful accounts has been established.

**NOTE 7. INTERFUND ASSETS/LIABILITIES (FFS LEVEL ONLY)**

Due from/to other funds:

Receivable Fund	Amount	Payable Fund	Amount
General Fund	\$ 276,108	General Fund	\$ 1,770
Courthouse and Jail	1,770	Public Works	120,015
Other Governmental	<u>2,074</u>	Other Governmental	<u>158,167</u>
Total	<u>\$ 279,952</u>	Total	<u>\$ 279,952</u>

The interfund balances are loans between funds to cover operating expenses.

MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS

**NOTE 8. CAPITAL ASSETS**

The following schedule presents changes in capital assets for the Police Jury:

	Balance, Beginning	Additions	Deletions	Balance, Ending
Governmental activities				
Not subject to depreciation:				
Land	\$ 188,750	\$ -	\$ -	\$ 188,750
Quebec Road	3,771,405	-	-	3,771,405
Construction in progress - Health unit	98,884	1,410,655	1,509,539	-
Subject to depreciation:				
Health Unit	-	1,509,539	-	1,509,539
Buildings and improvements	5,553,844	435,581	-	5,989,425
Furniture and equipment	3,096,559	373,155	84,149	3,385,565
Books and periodicals	440,791	51,067	5,708	486,150
Total	<u>13,150,233</u>	<u>3,779,997</u>	<u>1,599,396</u>	<u>15,330,834</u>
Less accumulated depreciation				
Buildings and improvements	4,332,904	84,315	-	4,417,219
Furniture and equipment	2,209,465	209,399	59,332	2,359,532
Books and periodicals	333,809	48,615	5,708	376,716
Total	<u>6,876,178</u>	<u>342,329</u>	<u>65,040</u>	<u>7,153,467</u>
Governmental activities capital assets, net	<u>\$ 6,274,055</u>	<u>\$ 3,437,668</u>	<u>\$ 1,534,356</u>	<u>\$ 8,177,367</u>

Current year depreciation expense was charged to governmental activities for the Police Jury as follows:

Judicial	\$ 7,695
Elections	427
Other general government	33,661
Public safety	120,705
Public works	110,126
Health and welfare	10,075
Culture and recreation	59,640
Total	<u>\$ 342,329</u>

**NOTE 9. RETIREMENT SYSTEMS**

Substantially all employees of the Madison Parish Police Jury's office are members of the Louisiana Police Jury's Retirement System, a multiple-employer (cost-sharing), a Public Employee Retirement System (PERS), controlled and administered by a separate board of trustees. The System is composed of two district plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Police Jury of Madison Parish (component unit) are members of Plan A.

MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS

**NOTE 9. RETIREMENT SYSTEMS – continued**

All permanent employees working at least twenty-eight hours per week who are paid wholly or in part from parish funds are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least ten years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to three percent of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus three percent of final-average salary for each year of service credited after the revision date. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

Under Plan A, members are required by state statute to contribute 9.50 percent of their annual covered salary and the Police Jury is required to contribute at an actuarially determined rate. The current rate is 12.25 percent of annual covered payroll. Contributions to the system also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Police Jury are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Police Jury's contributions to the System under Plan A for the year ending December 31, 2013, 2012, and 2011, were \$115,208, \$101,243, and \$85,554, respectively, equal to the required contribution for each year.

The System issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employee's Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

**NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**Plan Description.** The Madison Parish Police Jury's medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

Employees are covered by the Parochial Employee's Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of services at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007, retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service. Complete plan provisions are included in the official plan documents.

**Contribution Rates.** Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS

**NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – continued**

**Fund Policy.** Until 2009, the Madison Parish Police Jury recognized the cost of providing post-employment medical benefits (the Madison Parish Police Jury's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2013 and 2012, the Madison Parish Police Jury's portion of health care funding cost for retired employees totaled \$27,002 and \$25,002, respectively.

Effective with the year ending December 31, 2009, the Madison Parish Police Jury implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB 45). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

**Annual Required Contribution.** The Madison Parish Police Jury's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	2013	2012
Normal cost	\$ 43,297	\$ 41,632
30-year UAL amortization amount	45,214	43,475
Annual required contribution (ARC)	<u>\$ 88,511</u>	<u>\$ 85,107</u>

**Net Post-employment Benefit Obligation (Assets).** The table below shows the Madison Parish Police Jury's Net Other Post-employment Benefit (OPEB) Obligation for fiscal year ending December 31:

	2013	2012
Annual required contribution	\$ 88,511	\$ 85,107
Interest on Net OPEB Obligation	7,860	5,554
ARC Adjustment	(11,363)	(8,030)
OPEB Cost	85,008	82,631
Contribution to Irrevocable Trust	-	-
Current year retiree premium	(27,002)	(25,002)
Change in Net OPEB Obligation	58,006	57,629
Beginning Net OPEB Obligation	196,484	138,855
Ending Net OPEB Obligation	<u>\$ 254,490</u>	<u>\$ 196,484</u>

The following table shows the Madison Parish Police Jury's annual post-employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post-employment benefits (PEB) for last year and this year:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
December 31, 2013	\$85,008	31.76%	\$254,490
December 31, 2012	\$82,631	30.26%	\$196,484

MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS

**NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – continued**

**Funded Status and Funding Progress.** In 2013 and 2012, the Madison Parish Police Jury made no contributions to its post-employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the most recent valuation at January 1, 2012, the Actuarial Accrued Liability (AAL) at the year ended December 31, 2013 was \$813,124 which is defined as that portion, as determined by a particular actuarial cost method (the Madison Parish Police Jury uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

	<u>2013</u>	<u>2012</u>
Actuarial Accrued Liability (AAL)	\$ 813,124	\$ 781,850
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 813,124</u>	<u>\$ 781,850</u>
 Funded Ratio (AVP/AAL)	 0.00%	 0.00%
 Covered Payroll (active plan members)	 \$ 1,089,945	 \$ 844,628
UAAL as percentage of covered payroll	74.60%	92.57%

**Methods and Assumptions.** Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post-employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Madison Parish Police Jury and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Madison Parish Police Jury and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal contractual funding limitations on the pattern of cost sharing between the Madison Parish Police Jury and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

**Actuarial Cost Method.** The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

**Actuarial Value of Plan Assets.** There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

**Turnover Rate.** An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 10%.

MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS

**NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – continued**

**Post-employment Benefit Plan Eligibility Requirements.** Based on past experience, it has been assumed the entitlement to benefits will commence three years after the earliest of the following: age 55 and completion of 30 years of service; age 60 and completion of 10 years of service; and age 65 and completion of 7 years of service. The three years is to accommodate the D.R.O.P. period. Medical benefits are provided to employees upon actual retirement.

**Investment Return Assumption (Discount Rate).** GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

**Health Care Cost Trend Rate.** The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

**Mortality Rate.** The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

**Method of Determining Value of Benefits.** The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 50% of the cost of the medical insurance for the retirees only (not dependents). We have used the "unblended" rates provided as required by GASB Statement 45.

**Inflation Rate.** Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption rate of 2.50% annually.

**Projected Salary Increases.** This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

**Post-retirement Benefit Increases.** The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

**Below is a summary of OPEB cost and contributions for the last three fiscal calendar years:**

	<u>2011</u>	<u>2012</u>	<u>2013</u>
OPEB Cost	\$ 85,311	\$ 82,631	\$ 85,008
Contribution	-	-	-
Retiree premium	39,120	25,002	27,002
Total contribution and premium	<u>39,120</u>	<u>25,002</u>	<u>27,002</u>
Change in net OPEB obligation	<u>\$ 46,191</u>	<u>\$ 57,629</u>	<u>\$ 58,006</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	45.86%	30.26%	31.76%

MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS

**NOTE 11. ACCOUNTS PAYABLE, SALARIES AND OTHER PAYABLES**

At December 31, 2013 the Police Jury had the following payables:

	General Fund	Library Fund	Garbage Maintenance	Health Unit	Public Works	Courthouse and Jail	Other Governmental	Total
Vendors	\$ 112,032	\$ 2,638	\$ 8,136	\$ 8,152	\$ 25,667	\$ 53,814	\$ 62,431	\$ 272,870
Payroll	-	-	-	-	-	-	-	-
Total	<u>\$ 112,032</u>	<u>\$ 2,638</u>	<u>\$ 8,136</u>	<u>\$ 8,152</u>	<u>\$ 25,667</u>	<u>\$ 53,814</u>	<u>\$ 62,431</u>	<u>\$ 272,870</u>

**NOTE 12. COMPENSATED ABSENCES**

At December 31, 2013 no accrual has been made for accumulated and vested employee benefits as this amount is deemed immaterial.

**NOTE 13. LONG-TERM LIABILITIES**

The following is a summary of the long-term liabilities transactions and balances for the year ended December 31, 2013:

	Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due within One year
Governmental Activities:					
Capital leases					
Bancorp South Equipment Finance	\$ 59,021	-	\$ 20,173	\$ 38,848	\$ 20,885
Scott Financial Service	26,846	-	26,846	-	-
Bancorp South Equipment Finance	-	96,000	13,352	82,648	18,173
Claims and judgments payable	177,500	-	-	177,500	-
OPEB obligation	196,484	58,006	-	254,490	-
Governmental Activities:					
Long-term liabilities	<u>\$ 459,851</u>	<u>\$ 154,006</u>	<u>\$ 60,371</u>	<u>\$ 553,486</u>	<u>\$ 39,058</u>

The capital leases consisted of the following:

Capital lease with BancorpSouth Equipment Finance to purchase equipment; 36 monthly payments of \$1,660 and a final payment of \$41,232; secured by equipment with a book balance of \$91,200.

Capital lease with BancorpSouth Bank to purchase equipment; 48 monthly payments of \$1,825; secured by equipment with a book value of \$40,853.

Future payment requirements are as follows:

	Principal	Interest
2014	\$ 39,058	\$ 2,759
2015	36,567	1,601
2016	45,871	341
2017	-	-
2018	-	-
Thereafter	431,990	-
	<u>\$ 553,486</u>	<u>\$ 4,701</u>

MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS

**NOTE 14. INTERFUND TRANSFERS**

Operating transfers for the year ended December 31, 2013 were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Public Works	\$ 154,525	\$ -
Courthouse and Jail	193,211	-
Health Unit	407,687	-
General Fund	-	10,097
Other Governmental	10,097	755,423
Total	<u>\$ 765,520</u>	<u>\$ 765,520</u>

The purpose of the interfund transfers was to assist in covering operating expenses.

**NOTE 15. CRIMINAL COURT FUND**

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the Criminal Court Fund at year-end be transferred to the parish General Fund. However, for the year ended December 31, 2013 the Criminal Fund does not have a year-end balance for transfer. A balance of \$156,043 is due to the General Fund at December 31, 2013 for prior and current year transfers and loans.

**NOTE 16. LITIGATION AND CLAIMS**

At December 31, 2013 the Police Jury is involved in litigation or is aware of claims totaling \$177,500 that are not covered by insurance. Of this amount, \$177,500 has been recorded as a liability in the government-wide financial statements.

Grant Disallowances. The Police Jury participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grant.

**NOTE 17. RISK MANAGEMENT**

The Police Jury is at risk for property damage, liability and theft which are covered by insurance policies.

**NOTE 18. LEASES**

During the year ended December 31, 2013 the Police Jury had five ongoing operating leases necessary for the maintenance of the Parish road system. These leases have monthly payments ranging from \$1,945 to \$3,383. The lease terms are typically 36 to 60 months. Each unit may be purchased for the fair market value of the unit at the end of the lease term.



MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS

**NOTE 18. LEASES – continued**

The future minimum lease payments are as follows:

<u>Year Ended December 31st</u>	<u>Future minimum lease payments</u>
2014	\$ 154,582
2015	115,493
2016	76,216
2017	45,222
2018	3,383
Total	<u>\$ 394,896</u>

**NOTE 19. DEFICIT FUND BALANCE**

The Criminal Court Fund and the LCDBG Fund were the only nonmajor special revenue funds with a significant deficit fund balance. If the deficits cannot be eliminated through future operations, the general fund will appropriate resources necessary to alleviate the deficits.

**REQUIRED SUPPLEMENTAL INFORMATION**

**PART II**

## **MADISON PARISH POLICE JURY**

### **Budgetary Comparison Schedules**

#### **General Fund and Major Special Revenue Funds with Legally Adopted Annual Budgets**

##### **General Fund**

The General fund accounts for all activities of the Police Jury except those that are accounted for in other funds.

##### **Library**

The Library fund accounts for the operations of the parish library. Financing is provided by a specific parish-wide ad valorem tax.

##### **Garbage Maintenance**

The Garbage Maintenance fund accounts for the operations of the parish-wide garbage collection process. Financing is provided by a specific parish-wide ad valorem tax and user fees.

##### **Health Unit**

The Health Unit fund accounts for the maintenance and operation of the parish health unit. Financing is provided by a specific parish-wide ad valorem tax.

##### **Public Works**

The Public Works fund accounts for the maintenance of the parish highways, streets, and bridges. Financing is provided by a specific parish-wide ad valorem tax.

##### **Courthouse and Jail**

The Courthouse and Jail fund accounts for the maintenance and operation of the courthouse and jail. Financing is provided by a specific parish-wide ad valorem tax.

MADISON PARISH POLICE JURY  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
DECEMBER 31, 2013

	Budgeted Amounts		Amounts	Variance
	Original	Final	(Budgetary Basis)	Favorable (Unfavorable)
Budgetary Fund Balances - beginning	\$ 841,748	\$ 841,748	\$ 841,748	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	332,670	331,945	440,975	109,030
Other taxes, penalties and interest	334,200	334,557	56,293	(278,264)
Licenses and permits	102,200	172,464	204,913	32,449
Intergovernmental revenues:				
Federal funds	5,100	4,846	5,219	373
State funds:				
State revenue sharing (net)	65,400	72,464	10,211	(62,253)
Severance taxes	-	-	64,846	64,846
Other	-	-	290,870	290,870
Fees, charges, and commissions for services	74,140	83,230	2,522	(80,708)
Use of money and property	900	3,032	1,171	(1,861)
Other revenues	4,200	70,341	148,699	78,358
Amounts available for appropriations	1,760,558	1,914,627	2,067,467	152,840
Charges to appropriations (outflows)				
General government:				
Legislative	139,196	138,720	161,075	(22,355)
Judicial	329,932	345,267	374,809	(29,542)
Elections	39,420	33,336	31,540	1,796
Finance and administration	125,842	196,933	186,346	10,587
Other general government	68,954	76,584	-	76,584
Public safety	103,492	86,683	100,304	(13,621)
Public works	66,030	681	175	506
Health and welfare	29,858	31,012	146,233	(115,221)
Culture and recreation	13,200	16,917	24,047	(7,130)
Economic development and assistance	61,350	70,498	48,588	21,910
Transportation	-	55,742	102,061	(46,319)
Miscellaneous	-	-	26,573	(26,573)
Total charges to appropriations	977,274	1,052,373	1,201,751	(149,378)
Budgetary Fund Balances - ending	783,284	862,254	865,716	3,462
Interfund transfer	(10,000)	(10,097)	(10,097)	-
GAAP Fund Balance - ending	\$ 773,284	\$ 852,157	\$ 855,619	\$ 3,462

MADISON PARISH POLICE JURY  
LIBRARY  
BUDGETARY COMPARISON SCHEDULE  
DECEMBER 31, 2013

	Budgeted Amounts		Amounts	Variance
	Original	Final	(Budgetary Basis)	Favorable (Unfavorable)
Budgetary Fund Balances - beginning	\$ 1,315,329	\$ 1,315,329	\$ 1,315,329	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	571,975	558,590	560,233	1,643
Licenses & permits	-	140	-	(140)
Intergovernmental revenues:				
Federal funds	7,650	7,273	7,273	-
State funds:				
State revenue sharing (net)	7,500	5,453	8,168	2,715
Fees, charges, and commissions for services	2,950	4,305	-	(4,305)
Fines and forfeitures	400	158	413	255
Use of money and property	700	754	(6,589)	(7,343)
Other revenues	-	1,717	6,432	4,715
Amounts available for appropriations	1,906,504	1,893,719	1,891,259	(2,460)
Charges to appropriations (outflows)				
Culture and recreation	572,462	592,548	392,334	200,214
Capital outlay	-	-	211,342	(211,342)
Total charges to appropriations	572,462	592,548	603,676	(11,128)
Budgetary Fund Balances - ending	\$ 1,334,042	\$ 1,301,171	\$ 1,287,583	\$ (13,588)

MADISON PARISH POLICE JURY  
GARBAGE MAINTENANCE  
BUDGETARY COMPARISON SCHEDULE  
DECEMBER 31, 2013

	Budgeted Amounts		Amounts	Variance
	Original	Final	(Budgetary Basis)	Favorable (Unfavorable)
Budgetary Fund Balances - beginning	\$ 1,310,905	\$ 1,310,905	\$ 1,310,905	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	463,279	462,152	461,269	(883)
Intergovernmental revenues:				
Federal funds	13,000	12,034	12,034	-
State funds:				
State revenue sharing (net)	5,400	3,938	5,898	1,960
Fees, charges, and commissions for services	630,375	574,775	627,165	52,390
Use of money and property	1,700	2,134	2,312	178
Amounts available for appropriations	<u>2,424,659</u>	<u>2,365,938</u>	<u>2,419,583</u>	<u>53,645</u>
Charges to appropriations (outflows)				
Public works	<u>826,491</u>	<u>880,270</u>	<u>890,771</u>	<u>(10,501)</u>
Total charges to appropriations	<u>826,491</u>	<u>880,270</u>	<u>890,771</u>	<u>(10,501)</u>
Budgetary Fund Balances - ending	<u>\$ 1,598,168</u>	<u>\$ 1,485,668</u>	<u>\$ 1,528,812</u>	<u>\$ 43,144</u>

MADISON PARISH POLICE JURY  
HEALTH UNIT  
BUDGETARY COMPARISON SCHEDULE  
DECEMBER 31, 2013

	Budgeted Amounts		Amounts	Variance
	Original	Final	(Budgetary Basis)	Favorable (Unfavorable)
Budgetary Fund Balances - beginning	\$ 1,592,180	\$ 1,592,180	\$ 1,592,180	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	275,205	274,505	273,988	(517)
Intergovernmental revenues:				
Federal funds	3,700	3,574	3,574	-
State funds:				
State revenue sharing (net)	749,200	65,083	4,620	(60,463)
Fees, charges, and commissions for services	-	-	-	-
Use of money and property	3,000	2,882	3,054	172
Other revenues	-	-	-	-
Amounts available for appropriations	<u>2,623,285</u>	<u>1,938,224</u>	<u>1,877,416</u>	<u>(60,808)</u>
Charges to appropriations (outflows)				
General government:				
Judicial	-	237	-	237
Finance and administration	-	3,536	-	3,536
Other general government	704,300	68,038	-	68,038
Health and Welfare	82,533	1,237,703	78,949	1,158,754
Capital outlay	<u>745,000</u>	<u>-</u>	<u>1,215,958</u>	<u>(1,215,958)</u>
Total charges to appropriations	<u>1,531,833</u>	<u>1,309,514</u>	<u>1,294,907</u>	<u>14,607</u>
Budgetary Fund Balances - ending	<u>1,091,452</u>	<u>628,710</u>	<u>582,509</u>	<u>(46,201)</u>
Interfund transfer	-	345,689	407,687	61,998
GAAP Fund Balance - ending	<u>\$ 1,091,452</u>	<u>\$ 974,399</u>	<u>\$ 990,196</u>	<u>\$ 15,797</u>

MADISON PARISH POLICE JURY  
PUBLIC WORKS  
BUDGETARY COMPARISON SCHEDULE  
DECEMBER 31, 2013

	Budgeted Amounts		Amounts	Variance
	Original	Final	(Budgetary Basis)	Favorable (Unfavorable)
Budgetary Fund Balances - beginning	\$ 1,780,021	\$ 1,780,021	\$ 1,780,021	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	1,755,360	1,751,075	1,747,756	(3,319)
Intergovernmental revenues:				
Federal funds	94,000	22,799	22,799	-
State funds:				
State revenue sharing (net)	273,800	251,361	48,175	(203,186)
Parish transportation fnds	-	-	230,858	230,858
Other state funds	-	-	8,850	8,850
Fees, charges, and commissions for services	1,600	9,869	2,108	(7,761)
Use of money and property	1,250	1,306	1,312	6
Other revenues	-	16,812	29,275	12,463
Amounts available for appropriations	3,906,031	3,833,243	3,871,154	37,911
Charges to appropriations (outflows)				
General government:				
Judicial	-	482	-	482
Finance and administration	-	-	100,726	(100,726)
Other general finance	14,100	573	-	573
Public works	2,111,910	2,274,469	2,085,354	189,115
Debt service	-	-	41,703	(41,703)
Capital outlay	-	-	120,380	(120,380)
Total charges to appropriations	2,126,010	2,275,524	2,348,163	(72,639)
Budgetary Fund Balances - ending	1,780,021	1,557,719	1,522,991	(34,728)
Interfund transfer	-	105,754	154,525	48,771
GAAP Fund Balance - ending	\$ 1,780,021	\$ 1,663,473	\$ 1,677,516	\$ 14,043



MADISON PARISH POLICE JURY  
COURTHOUSE AND JAIL  
BUDGETARY COMPARISON SCHEDULE  
DECEMBER 31, 2013

	Budgeted Amounts		Amounts	Variance
	Original	Final	(Budgetary Basis)	Favorable (Unfavorable)
Budgetary Fund Balances - beginning	\$ 4,230,107	\$ 4,230,107	\$ 4,230,107	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	1,454,655	1,449,688	1,448,201	(1,487)
Intergovernmental revenues:				
Federal funds	13,500	12,876	12,876	-
State funds	228,516	-	-	-
Use of money and property	1,800	4,484	13,920	9,436
Other revenues	-	1,250	1,250	-
Amounts available for appropriations	5,928,578	5,698,405	5,706,354	7,949
Charges to appropriations (outflows)				
General government:				
Judicial	-	426	-	426
Elections	-	87	-	87
Finance and administration	70,740	26,160	58,854	(32,694)
Other general governmental	327,536	564,374	-	564,374
Public safety	260,640	226,053	491,551	(265,498)
Capital outlay	-	-	402,681	(402,681)
Total charges to appropriations	658,916	817,100	953,086	(135,986)
Budgetary Fund Balances - ending	5,269,662	4,881,305	4,753,268	(128,037)
Interfund transfer	-	191,440	193,211	1,771
GAAP Fund Balance - ending	\$ 5,269,662	\$ 5,072,745	\$ 4,946,479	\$ (126,266)

MADISON PARISH POLICE JURY  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
FOR THE YEAR ENDED DECEMBER 31, 2013

**A. BUDGETS**

**General Budget Policies.** Preliminary budgets for the ensuing year are prepared by the secretary-treasurer prior to December 31 of each year. The availability of the proposed budgets for public inspection and the date of the public hearing on the proposed budgets are then advertised in the official journal. During its regular December meeting, the Police Jury holds a public hearing on the proposed budgets in order to receive comments from residents of the parish. Changes are made to the proposed budgets based on the public hearing and the desires of the Police Jury as a whole. The budgets are then adopted during the Police Jury's regular December meeting, and a notice of the adoption is then published in the official journal.

The secretary-treasurer presents necessary budget amendments to the Police Jury during the year when, in her judgment, actual operations are differing materially from those anticipated in the original budget. During a regular meeting, the Police Jury reviews the proposed amendments, makes changes as it deems necessary, and formally adopts the amendments. The adoption of the amendments is included in Police Jury minutes published in the official journal.

The Police Jury exercises budgetary control at the functional level. Within functions the secretary-treasurer has the discretion to make changes as she deems necessary for proper control. Unexpended appropriations lapse at year end and must be reappropriated in the next year's budget to be expended.

For the year ended December 31, 2013 budgets were adopted for the general fund and for all special revenue funds, except the Criminal Court special revenue fund, which is exempt from the requirements Louisiana Revised Statutes 30:1301-1314 (Local Government Budget Act).

Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budgets must be approved by the Board and the grantor agencies.

Formal budgetary integration is employed as a management control device during the year.

**Encumbrances.** Encumbrance accounting is not recognized within the accounting records for budgetary control purposes. Authorization for the eventual expenditure will be included in the following year's budget appropriations.

**Budget Basis of Accounting.** Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when budgeted revenues within a fund are expected to exceed actual revenue by five percent or more and when actual expenditures exceed budgeted expenditures by five percent or more.

**B. EXCESS OF BUDGETED REVENUES OVER ACTUAL REVENUES IN INDIVIDUAL FUNDS**

The following funds had budgeted revenues greater than actual revenues for the year ended December 31, 2013.

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Health unit	\$ 346,044	\$ 285,236	\$ (60,808)
Library	578,390	575,930	(2,460)

**C. EXCESS OF ACTUAL EXPENDITURES OVER BUDGETED EXPENDITURES IN INDIVIDUAL FUNDS**

The following funds had actual expenditures greater than budgeted expenditures for the year ended December 31, 2013:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General fund	\$ 1,052,373	\$ 1,201,751	\$ (149,378)
Library	592,548	603,676	(11,128)
Garbage maintenance	880,270	890,771	(10,501)
Public works	2,275,524	2,348,163	(72,639)
Courthouse and jail	817,100	953,086	(135,986)

MADISON PARISH POLICE JURY  
TALLULAH, LOUISIANA  
SCHEDULE OF FUNDING PROGRESS FOR EMPLOYEE HEALTH CARE PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2013

Actual Valuation Date	Actuarial Value of Assets	Accrued Liability (AAL) - Entry Age	Unfunded AAL (UALL)	Funded Ratio	Covered Payroll	UALL as a Percentage of Covered Payroll
12/31/2008	-	1,247,622	1,247,622	0.00%	334,155	376.37%
12/31/2008	-	781,850	781,850	0.00%	844,628	92.57%

Generally accepted governmental accounting principles (GASB Codification Po50. 131-132) require that the schedule present information from the last three actuarial valuations. Because the requirements of GASB 45 were implemented starting with the year ended December 31, 2009, only two valuations are available. Additional information will be added after the next valuation. Subsequent to that, information will be presented for the latest three valuations.

## **SUPPLEMENTAL INFORMATION**

**NON MAJOR GOVERNMENTAL FUNDS**

MADISON PARISH POLICE JURY  
NONMAJOR SPECIAL REVENUE FUNDS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2013

	Rural Development	Criminal Court	E-911	Memorial	Grant Fund	Mosquito Control	Witness Fees	FEMA Disaster	Emergency Shelter Donation	Group Health Insurance	Building Fund	OHSEP	Recreation Board	Road Improvement Escrow	LCDBG	Total
<b>Assets</b>																
Cash and cash equivalents	\$ 2,000	\$ 4,551	\$ 173,014	\$ 8,044	\$ 15,877	\$ 12,527	\$ 110,521	\$ 14,759	\$ 3,235	\$ 111,711	\$ 19,757	\$ 9,099	\$ 14,270	\$ 1	\$ -	\$ 499,366
Investments	-	-	668,350	-	-	-	-	-	-	-	-	-	-	-	-	668,350
Receivables	-	22,672	317,313	-	-	-	1,388	-	-	-	-	-	-	-	-	341,373
Interfund Receivables	-	-	2,074	-	-	-	-	-	-	-	-	-	-	-	-	2,074
<b>Total Assets</b>	<b>2,000</b>	<b>27,223</b>	<b>1,160,751</b>	<b>8,044</b>	<b>15,877</b>	<b>12,527</b>	<b>111,909</b>	<b>14,759</b>	<b>3,235</b>	<b>111,711</b>	<b>19,757</b>	<b>9,099</b>	<b>14,270</b>	<b>1</b>	<b>-</b>	<b>1,511,163</b>

**MADISON PARISH POLICE JURY  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Rural Development	Criminal Court	E-911	Memorial	Grant Fund	Mosquito Control	Witness Fees	FEMA Disaster	Emergency Shelter Donation	Group Health Insurance	Building Fund	OHSEP	Recreation Board	Road Improvement Escrow	LCDBG	Total
<b>Revenues</b>																
Local sources:																
Ad Valorem taxes	\$ -	\$ -	\$ 306,747	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 306,747
Other taxes and penalties	-	-	118,651	-	-	-	-	-	-	-	-	-	-	-	-	118,651
License and permits	-	-	-	-	-	-	-	-	-	-	8,029	-	-	-	-	8,029
Intergovernmental revenues:																
Federal funds - federal grants	-	-	4,002	-	-	-	-	42,068	-	-	-	-	-	-	58,695	104,763
State funds:																
State Revenue Sharing	-	-	-	-	-	-	-	-	-	-	-	63,870	-	-	-	63,870
Other	-	-	-	1,860	1,011,527	-	-	-	-	-	-	-	-	-	9,500	1,022,887
Fees, charges, and commissions for services	-	31,055	-	-	-	-	30,803	-	-	-	-	-	-	-	-	61,858
Fines and forfeitures	-	437,928	-	-	-	-	-	-	-	-	-	-	-	-	-	437,928
Use of money and property	-	48	2,192	14	61	20	141	84	5	249	22	8	15	39	-	2,896
Other revenues	-	33,166	325	3,067	-	-	-	-	-	-	-	-	-	-	-	36,558
<b>Total Revenues</b>	-	502,195	431,817	4,941	1,011,588	20	30,944	42,150	5	249	8,051	83,878	15	39	68,193	2,164,187
<b>Expenditures</b>																
Current:																
General government:																
Judicial	-	531,167	-	-	-	-	4,350	-	-	-	-	-	-	-	-	535,517
Finance and administrative	-	-	-	-	202	-	-	-	-	-	3,232	-	-	-	-	3,434
Public safety	-	-	250,953	-	-	1,932	-	-	-	-	-	66,583	-	-	-	319,468
Public works	-	-	-	-	99,855	-	-	13,255	50	-	-	-	-	-	-	113,160
Culture and recreation	-	-	-	750	-	-	-	-	-	-	-	-	735	-	-	1,485
Transportation	-	-	-	-	47,358	-	-	-	-	-	-	-	-	-	24,340	71,698
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	97	97
Capital outlay	-	-	23,490	-	200,547	-	-	-	-	-	-	-	-	-	-	224,037
<b>Total Expenditures</b>	-	531,167	274,443	750	347,962	1,932	4,350	13,255	50	-	3,232	66,583	735	-	24,437	1,268,896
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	-	(28,972)	157,474	4,191	563,626	(1,912)	26,594	28,895	(45)	249	4,819	(2,705)	(720)	39	43,758	895,291
<b>Other Financing Sources (Uses)</b>																
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	10,000	-	97	10,097
Transfers out	-	-	-	-	(544,826)	-	-	(24,577)	-	-	-	-	-	(27,325)	(58,695)	(755,423)
<b>Total Other financing Sources (Uses)</b>	-	-	-	-	(544,826)	-	-	(24,577)	-	-	-	-	10,000	(27,325)	(58,598)	(745,326)
<b>Net Change in Fund Balances</b>	-	(28,972)	157,474	4,191	18,800	(1,912)	26,594	4,318	(45)	249	4,819	(2,705)	9,280	(27,286)	(14,840)	149,965
<b>Fund Balances - beginning</b>	2,000	(119,501)	1,002,436	3,853	(2,923)	14,439	85,265	10,441	3,280	90,243	14,938	3,850	4,990	27,287	-	1,140,600
<b>Fund Balances - ending</b>	\$ 2,000	\$ (148,473)	\$ 1,159,912	\$ 8,044	\$ 15,877	\$ 12,527	\$ 111,859	\$ 14,759	\$ 3,235	\$ 90,492	\$ 19,757	\$ 1,145	\$ 14,270	\$ 1	\$ (14,840)	\$ 1,290,565



MADISON PARISH POLICE JURY

**NONMAJOR SPECIAL REVENUE FUNDS**

**Rural Development** – The Rural Development Fund accounts for revenue designated mainly for economic development purposes provided by the Governor's Office of Rural Development.

**Criminal Court** – The Criminal Court Fund accounts for revenue from fines and forfeitures imposed by the District Attorney and District Court.

**E-911** – The E-911 Fund accounts for the emergency communications of the Parish which are funded by service charges imposed.

**Memorial** – The Memorial Fund accounts for donations by private sources to the parish library.

**Grant** – The Grant Fund accounts for revenues received from federal and state sources used for various projects.

**Mosquito Control** – The Mosquito Control Fund accounts for revenue from the Arboviral Grant provided by the Department of Public Health to educate citizens on ways to reduce mosquito habitat and to facilitate surveillance and control measures.

**Witness Fees** – The Witness Fees Fund accounts for all witness fee revenue received through the Criminal Court. Witness fees are required by law to be accounted for in a separate fund.

**FEMA Disaster** – The FEMA Disaster Fund accounts for revenue received from federal sources for disaster relief.

**Emergency Shelter Donations** – The Emergency Shelter Donations Fund accounts for public and private donations to the shelter of hurricane victims and other disaster victims.

**LCDBG** – The LCDBG Fund accounts for all revenues received from the Louisiana Community Development Block Grant Program used for various projects.

MADISON PARISH POLICE JURY

GENERAL

**COMPENSATION PAID POLICE JURORS.** The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the Madison Parish Police Jury members is included in the general administrative expenditures of the General Fund. Members of the governing board receive compensation pursuant to Louisiana Revised Statute 33:1233.

**Schedule of Compensation Paid Police Jurors  
For the Year Ended December 31, 2013**

Robert D. Fortenberry, President	\$ 24,000
Patricia A. Bunchanan	19,200
C.J. Oney	19,200
Stanley Ogden	19,200
Jane G. Sanders	<u>19,200</u>
Total	<u>\$ 100,800</u>

**OTHER REPORTS REQUIRED BY *GOVERNMENTAL AUDITING STANDARDS***

# THE HALFORD FIRM, PLLC

## CERTIFIED PUBLIC ACCOUNTANTS

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### INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT* *AUDITING STANDARDS*

Police Jurors  
Madison Parish Police Jury  
Tallulah, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Madison Parish Police Jury, a component unit of the Madison Parish Police Jury, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Madison Parish Police Jury's basic financial statements, and have issued our report thereon dated July 25, 2014.

#### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Madison Parish Police Jury's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Madison Parish Police Jury's internal control. Accordingly, we do not express an opinion on the effectiveness of the Madison Parish Police Jury's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did identify one deficiency in internal control that we consider to be a material weakness and is identified as 13-01 in the schedule of findings and questioned costs.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Madison Parish Police Jury's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed three instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are identified as 13-02, 13-03, and 13-04 in the schedule of findings and questioned costs.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*The Halford Firm, PLLC*

Vicksburg, Mississippi  
July 25, 2014

MADISON PARISH POLICE JURY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2013

**Part I – Summary of the Auditor’s Results:**

1. The type of audit report was an adverse opinion on the aggregate discretely presented component units and an unmodified opinion on the governmental activities, each major fund and the aggregate remaining fund information of the Madison Parish Police Jury.
2. There was one (13-01) deficiency in internal control over financial reporting disclosed in the audit of the financial statements.
3. Three instances (13-02, 13-03, and 13-04) of noncompliance were disclosed in the audit of the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

**Part II – Findings related to the financial statements that are required to be reported under *Government Auditing Standards*:**

**13-01 Internal Control**

**Finding:**

One fund (Library) was not complying with the internal control requirement that an approved purchase order has to be obtained prior to purchasing supplies or other items. Management in this fund is ordering supplies and other items without following proper procedures and obtaining approved purchase orders first. This can result in unapproved purchases.

**Recommendation:**

To prevent future occurrences, the Police Jury should immediately require this fund to comply with all internal control procedures.

**Management’s Response:**

Management concurs with the finding and will implement these procedures immediately.

**13-02 Local Budget Act**

**Finding:**

The Louisiana Local Government Budget Act requires budgets be amended if expected actual revenues are five percent less than budgeted revenues, or expected actual expenditures are five percent greater than budgeted expenditures. The Police Jury had actual revenues less than budgeted revenues by more than five percent in the Health Unit Fund. This is because an error was made when budgeting for state shared revenue, and that error was not corrected when the budgets were amended. The Police Jury had actual expenditures which exceeded budgeted expenditures greater than five percent in the General and Health Unit Funds. Expenditures exceeded the budget which was amended in December because the Police Jury did not consider expenditures for the construction of a new facility in the budget. The agency is in violation of Louisiana Revised Statute LSA-RS 39:1309-1310.

**Recommendation:**

The Police Jury should monitor the budget closely and amend the budget as necessary in order to comply with the Local Government Budget Act.

**Management's Response:**

The Police Jury concurs with the finding and will monitor and amend the budget as necessary in the future.

**13-03 Bid Law**

**Finding:**

In the current year, two funds (Library and Public Works) made purchases for which the bid law required bids to be obtained. Neither fund complied with this law.

**Recommendation:**

The Police Jury should adopt a policy that requires compliance with the bid law and implement policies and procedures that assure compliance with that policy.

**Management's Response:**

Management concurs with the finding and will act on it promptly.

**13-04 Failure to Timely File Audit Report**

**Finding:**

The Police Jury failed to submit the audit report to the Legislative Auditor within the statutorily required time frame.

**Recommendation:**

Management should make every effort to ensure that its financial statements are completed and the resulting report submitted to the Legislative Auditor within the time frame set by state statutes.

**Management's Response:**

The Police Jury selected a new auditing firm this year. First year audits require substantially more work. As a result of this and other complications, the audit report was not submitted timely. Management has been assured by the auditing firm that this will not happen again.

**MADISON PARISH POLICE JURY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR YEAR ENDED DECEMBER 31, 2013**

The following is a summary of the status of the prior year findings included in the auditor's report dated August 27, 2013, covering the examination of the financial statements of the Madison Parish Police Jury as of and for the year ended December 31, 2012.

**12-01 Internal Control**

**Finding:**

Two funds (Library and E-911) are not complying with the internal control requirement that an approved purchase order has to be obtained prior to purchasing supplies or other items. Management in these two funds is ordering supplies and other items without following proper procedures and obtaining approved purchase orders first. This can result in unapproved purchases.

**Status:**

This finding was not resolved by December 31, 2013 and is a repeat finding for the current year.

**12-02 Employee Work Records**

**Finding:**

The E-911 Director does not submit any type of records to support the hours she worked or any vacation/sick leave taken. These records are necessary to verify that wage payments are correct and that unused vacation and sick leave records are accurate.

**Status:**

This finding was resolved.

**12-03 Extra Compensation**

**Finding:**

The E-911 Director is receiving extra compensation from grant proceeds to the Office of Homeland Security and Emergency Preparedness Fund. The administration portion of grants to this fund is paid in salaries to the E-911 Director and Director of Emergency Preparedness. Employees of government agencies are not allowed to receive any type of bonus, loan, or financial benefit except their wages and related benefits. These payments may be in violation of Louisiana laws and regulations.

**Status:**

This finding was resolved.

**12-04 Extra Compensation**

**Finding:**

The laws and regulations of the State of Louisiana do not allow an employee to receive financial benefits other than their salary and related benefits. The E-911 Director works for the Sheriff's office as a dispatcher when needed. At times, this is during normal work hours while she is acting as E-911 Director. This results in her being paid by the Sheriff's office and the E-911 office at the same time.

**Status:**

This finding was resolved.



#### **12-05 Local Budget Act**

**Finding:**

The Louisiana Local Government Budget Act requires budgets be amended if expected actual revenues are five percent less than budgeted revenues, or expected actual expenditures are five percent greater than budgeted expenditures. The Police Jury had actual expenditures which exceeded budgeted expenditures greater than five percent in the Health Unit Fund. Expenditures exceeded the budget which was amended in December because the Police Jury did not consider expenditures for the construction of a new facility in the budget. The agency is in violation of Louisiana Revised Statute LSA-RS 39:1309-1310.

**Status:**

This finding was not resolved by December 31, 2013 and is a repeat finding for the current year.

#### **12-06 Workplace Behavior**

**Finding:**

The E-911 Director has been babysitting a grandchild at the office while working. Some days the Director would have the child with her while she worked. This has to interfere with the performance of her duties and could possibly lead to liability issues if the child is injured at the E-911 office.

**Status:**

This finding was resolved.